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U.S. LEGISLATORS SUPPORT TRADE LIBERALIZATION

ANNCR:

IN WASHINGTON, THE JOINT CONGRESSIONAL ECONOMIC COMMITTEE SAYS TRADE LIBERALIZATION SHOULD BE ENCOURAGED AS A PERMANENT AID TO POORER NATIONS. VOA BUSINESS EDITOR FRANK FEINBERG HAS THIS PERSPECTIVE ON THE COMMITTEE'S NEW ANNUAL REPORT:

VOICE:

THE JOINT ECONOMIC COMMITTEE -- A BI-PARTISAN CONGRESSIONAL BODY -- FILES A REPORT EACH YEAR WITH THE SENATE AND THE HOUSE OF REPRESENTATIVES TO SERVE AS A GUIDE IN LEGISLATION RELATING TO ECONOMIC ISSUES.

IN ITS 1976 REPORT (RELEASED MARCH TENTH) THE LEGISLATORS DEAL WITH A NUMBER OF INTERNATIONAL ECONOMIC ISSUES INCLUDING TRADE, INTERNATIONAL ENERGY POLICY AND WORLD FOOD SECURITY.

THE CONGRESSIONAL ECONOMIC COMMITTEE SAYS THE DECINE OF PRICES FOR RAW MATERIALS DURING THE RECENT WORLD-WIDE RECESSION, COMBINED WITH HIGH PRICES FOR OIL, IS OF URGENT CONCERN TO LESS DEVELOPED COUNTRIES. THE COMMITTEE'S MEMBERS ACQUIESCE WITH THE DESIRE OF DEVELOPING COUNTRIES FOR MORE PROTECTION FROM SHARP PRICE DECLINES IN THEIR BASIC EXPORTS.

AS FOR POSSIBLE SOLUTIONS, THE AMERICAN LEGISLATORS FAVOR TWO APPROACHES. THEY ADVOCATE REDUCTIONS IN TARIFFS ON TROPICAL PRODUCTS AND PROCESSED RAW MATERIALS. AND THEY FAVOR EFFORTS TO PROVIDE COMPENSATION FOR REDUCED EXPORT EARNINGS. . .RATHER THAN FIXING PRICES. IN THIS REGARD, THE CONGRESSIONAL ECONOMIC COMMITTEE ENDORSES THE FORD ADMINISTRATION'S SUPPORT FOR EXPANSION OF THE

INTERNATIONAL MONETARY FUND'S COMPENSATORY FINANCING FACILITY. THE FACILITY COMPENSATES FOR EXPORT LOSSES DUE TO FORCES BEYOND A MEMBER COUNTRY'S CONTROL.

THE CONGRESSIONAL ECONOMIC COMMITTEE SAYS MORE UNITY MUST BE ACHIEVED AMONG OIL CONSUMING NATIONS TO DEAL EFFECTIVELY WITH OPEC'S QUADRUPLING OF WORLD OIL PRICES. (OPT) THE COMMITTEE'S REPORT SAYS HIGHER OIL PRICES "HAVE HURT THE POOR COUNTRIES SEVERELY," AND THAT AS THE WORLD ECONOMY CONTINUES TO RECOVER, DEMAND FOR ENERGY WILL RISE, DESPITE ACCELERATED DOMESTIC ENERGY DEVELOPMENT AND CONSERVATION EFFORTS. (END OPT) THE CONGRESSIONAL GROUP SAYS THAT IN THE SHORT-TERM, IT IS DIFFICULT FOR CONSUMER NATIONS TO NEGOTIATE EQUITABLY WITH THE OIL PRODUCERS. BUT, THE REPORT SAYS, ENERGY PRICES CAN BE EXPECTED TO DECLINE OVER THE LONG RUN. AND THE CONGRESSMEN OPPOSE AGREEMENTS WHICH WOULD INDEFINITELY FIX FUTURE OIL IMPORTS AT HIGH PRICES.

THE ECONOMIC COMMITTEE'S REPORT SUPPORTS THE U.S. PROPOSAL TO HELP ELIMINATE WORLD HUNGER MADE BY STATE SECRETARY KISSINGER AT THE ROME CONFERENCE IN NOVEMBER, 1974.

AMONG OTHER THINGS, THE UNITED STATES PROPOSED THE ESTABLISHMENT OF AN INTERNATIONAL SYSTEM OF NATIONALLY HELD GRAIN RESERVES. THESE RESERVES WOULD INSURE THE AVAILABILITY OF ADEQUATE RESOURCES TO MEET POTENTIAL WORLD SHORTFALLS IN FOOD GRAINS. THE COMMITTEE NOTES THAT THE UNITED STATES -- WITH VERY GOOD HARVESTS -- IS BEGINNING TO REPLENISH ITS STOCKS WHICH HAD DECLINED SHARPLY BECAUSE OF STEPPED UP SHIPMENTS OVERSEAS.

JS/LP